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**SUBSTITUTE HOUSE BILL 1492**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** House Committee on Insurance, Financial Services & Consumer Protection (originally sponsored by Representatives Simpson, Campbell, Kirby, VanDeWege, Williams, Chase, Wood and Santos)

READ FIRST TIME 2/28/07.

1 AN ACT Relating to arbitration under certain insurance policies;  
2 amending RCW 48.22.085; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that the nature of  
5 personal injury protection coverage and the types of disputes that  
6 arise under such coverage requires a more expeditious and  
7 cost-efficient mechanism to resolve them. The nature of these disputes  
8 usually involves questions over the payment of ongoing health care  
9 coverage, and the continuation of this coverage in a timely fashion is  
10 necessary to restoring the health of the injured person. The  
11 legislature further finds that the costs in dispute are usually in an  
12 amount that will quickly be exceeded by the cost of having to go to  
13 trial in superior court, and that such a remedy also is not timely  
14 enough to provide the continuing health care coverage needed to regain  
15 full health. Therefore, the legislature further finds that in order to  
16 protect the integrity of an insureds' right to a remedy under the law,  
17 under this form of no-fault automobile insurance, an expeditious and  
18 low-cost arbitration mechanism is the best mechanism to provide an  
19 insured with a remedy under the law.

1       **Sec. 2.** RCW 48.22.085 and 2003 c 115 s 2 are each amended to read  
2 as follows:

3       (1) No new automobile liability insurance policy or renewal of such  
4 an existing policy may be issued unless personal injury protection  
5 coverage is offered as an optional coverage.

6       (2) A named insured may reject, in writing, personal injury  
7 protection coverage and the requirements of subsection (1) of this  
8 section shall not apply. If a named insured rejects personal injury  
9 protection coverage:

10       (a) That rejection is valid and binding as to all levels of  
11 coverage and on all persons who might have otherwise been insured under  
12 such coverage; and

13       (b) The insurer is not required to include personal injury  
14 protection coverage in any supplemental, renewal, or replacement policy  
15 unless a named insured subsequently requests such coverage in writing.

16       (3) All automobile liability insurance policies sold in this state  
17 that contain personal injury protection coverage benefits shall contain  
18 binding arbitration clauses to resolve disputes between the insured and  
19 the insurer regarding the amount of medical and hospital expenses,  
20 funeral expenses, income continuation, and loss of services sustained  
21 by an insured because of bodily injury caused by an automobile  
22 accident.

23       When a dispute regarding the amount of personal injury protection  
24 coverage benefits under a single policy arises, arbitration may be  
25 requested by either the insurer or insured. In any event, a request  
26 for arbitration must be made in writing and the parties shall select an  
27 arbitrator to hear the dispute within thirty days of a written request.  
28 The failure to agree on an arbitrator within the required time is  
29 resolved under RCW 7.04A.110. The costs of the arbitrator shall be  
30 paid by the insurer. When arbitration results in additional benefits  
31 to the insured, actual arbitration costs, including expert witness  
32 fees, incurred in establishing the insured's claim to additional  
33 benefits shall be paid by the insurer.

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